

التاريخ: 2018/11/01

السادة/ شركة بورصة الكويت
المحترمين
تحية طيبة وبعد،،،

الموضوع: اعتماد البيانات المالية المرحلية للربع الثالث المنتهي في 2018/09/30

بالإشارة الى الموضوع أعلاه، نحيطكم علماً بأن مجلس إدارة شركة العقارات المتحدة (ش.م.ك.عامة) قد انعقد يوم الخميس الموافق 01 نوفمبر 2018 في تمام الساعة الواحدة ظهراً، وتم اعتماد البيانات المالية المرحلية للربع الثالث المنتهي في 30 سبتمبر 2018 وفقاً للنموذج المرفق.

وتفضلوا بقبول فائق الاحترام والتقدير،،،



طارق محمد عبد السلام

رئيس مجلس الإدارة



Quarterly Financial Statement Results Form (Q3)
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية المرحلية (الربع الثالث)
الشركات الكويتية (د.ك.)

Financial Quarter Ended on	30-9-2018	الفترة المرحلية المنتهية في
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Company Name	اسم الشركة
United Real Estate Company S.A.K.P	شركة العقارات المتحدة ش.م.ك.ع.
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2018-11-1	

التغيير (%)	فترة التسعة أشهر المقارنة	فترة التسعة أشهر الحالية	البيان
Change (%)	9-Month Comparative Period	Current 9-Month Period	Statement
	30/9/2017	30/9/2018	
(1,257.16%)	284,606	(3,293,340)	صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(1,257.16%)	0.26	(3.07)	ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)
23.01%	120,820,759	148,624,498	الموجودات المتداولة Current Assets
6.47%	584,000,368	621,791,535	إجمالي الموجودات Total Assets
69.32%	128,363,388	217,348,137	المطلوبات المتداولة Current Liabilities
14.00%	352,573,705	401,933,095	إجمالي المطلوبات Total Liabilities
(3.96%)	186,863,976	179,458,456	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
4.55%	64,514,038	67,451,657	إجمالي الإيرادات التشغيلية Total Operating Revenue
(10.24%)	10,645,575	9,555,050	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
(6.47%)	46.98%	43.94%	أرباح (خسائر) مرحلة/ رأس المال المدفوع Retained Profit (Loss) / Paid-Up Share Capital

عقار
م.ك.ع.


البيان Statement	الربع الثالث الحالي Third Quarter Current Period 30/9/2018	الربع الثالث المقارن Third Quarter Comparative Period 30/9/2017	التغيير (%) Change (%)
صافي الربح/الخسارة الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	(1,597,131)	(1,155,037)	38.28%
ربحية/خسارة السهم الأساسية والمخفضة (فلس) Basic & Diluted Earnings per Share (fils)	(1.49)	(1.08)	38.28%
إجمالي الإيرادات التشغيلية Total Operating Revenue	23,657,621	24,474,190	(3.34%)
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	3,530,026	3,596,939	(1.86%)

سبب ارتفاع/انخفاض صافي الربح/الخسارة	Increase/Decrease in Net Profit/(Loss) is due to
<ul style="list-style-type: none"> زيادة مخصصات مقابل ذمم مدينة. زيادة تكاليف تشغيل العقارات. زيادة تكاليف التمويل نتيجة زيادة تمويل مشاريع وأنشطة الشركة. مقابل زيادة الأرباح من الشركات زميلة. 	<ul style="list-style-type: none"> Increase in provisions against receivables. Increase in properties operating costs. Increase in financing costs as a result of increased funding for the company's projects and activities. Set off against increase profits from associates.
بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Revenue realized from dealing with related parties (value, KWD)
2,516,225	2,516,225
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Expenditures incurred from dealing with related parties (value, KWD)
736,475	736,475

الاسم Name	المسمى الوظيفي Title	التوقيع Signature	ختم الشركة Company Seal
طارق محمد عبدالسلام Tariq M. AbdulSalam	رئيس مجلس الإدارة Chairman		

• Auditor Report Attached

• مرفق تقرير مراقب الحسابات


M.T.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF UNITED REAL ESTATE COMPANY S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of United Real Estate Company S.A.K.P. (the "Parent Company") and its subsidiaries (the "Group") as at 30 September 2018, and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the related interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on the interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As at 30 September 2018, the interim condensed consolidated financial information include the carrying value and share of result of the Group's associate, Abdali Boulevard Company P.S.C. ("ABC"), amounting to KD 34,130,128 and KD 1,377,047 respectively based on management accounts due to unavailability of reviewed financial statements. We were unable to carry out any review procedures to satisfy ourselves as to the completeness and accuracy of share of results and the carrying value of ABC included in the Group's interim condensed consolidated financial information. Consequently, we were unable to determine whether any adjustment to the Group's investment in associates as at 30 September 2018 and share of results of the associates for the period ended 30 September 2018 was necessary.

Conclusion

Based on our review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

 **ERNST & YOUNG**
AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

01 NOV 2018

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF UNITED REAL ESTATE
COMPANY S.A.K.P. (continued)**

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violation of the Companies Law No. 1 of 2016, as amended, and its Executive Regulations, as amended, or of the Parent Company's the Memorandum of Incorporation and Articles of Association, as amended, during the nine months period ended 30 September 2018 that might have had a material effect on the business of the Parent Company or on its financial position.

EY ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS
See Our Report Dated

01 NOV 2018
EY
INITIALLED FOR IDENTIFICATION
PURPOSES ONLY

BADER A. AL-ABDULJADER
LICENCE NO. 207-A
EY
AL AIBAN, AL OSAIMI & PARTNERS

1 November 2018
Kuwait

United Real Estate Company S.A.K.P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2018

		30 September 2018 KD	(Audited) 31 December 2017 KD	30 September 2017 KD
	Notes			
ASSETS				
Non-current assets				
Property and equipment		78,767,789	80,104,450	80,358,135
Investment properties		295,439,506	294,627,605	285,681,602
Investment in associates		82,616,688	77,960,687	80,624,593
Financial assets at fair value through other comprehensive income		4,376,136	-	-
Financial assets available for sale		-	14,452,576	14,161,674
Loan to an associate		9,150,329	-	-
Intangible assets		2,816,589	2,332,402	2,353,605
		473,167,037	469,477,720	463,179,609
Current assets				
Properties held for trading		63,332,174	58,639,720	57,744,260
Accounts receivable, prepayments and other assets	3	70,922,358	57,785,729	45,979,927
Cash and short term deposits	4	14,369,966	16,527,864	17,096,572
		148,624,498	132,953,313	120,820,759
TOTAL ASSETS		621,791,535	602,431,033	584,000,368
LIABILITIES AND EQUITY				
LIABILITIES				
Non-current liabilities				
Interest bearing loans and borrowings		107,519,582	124,885,062	148,944,713
Deferred tax liabilities		17,065,376	16,740,732	15,265,604
Bonds	7	60,000,000	-	60,000,000
		184,584,958	141,625,794	224,210,317
Current liabilities				
Interest bearing loans and borrowings		145,295,971	107,779,324	74,613,367
Bonds	7	-	60,000,000	-
Accounts payable, accruals and other payables		72,052,166	61,890,933	53,750,021
		217,348,137	229,670,257	128,363,388
Total liabilities		401,933,095	371,296,051	352,573,705
EQUITY				
Share capital		118,797,442	118,797,442	118,797,442
Share premium		15,550,698	15,550,698	15,550,698
Statutory reserve		20,511,526	20,511,526	20,253,562
Voluntary reserve		2,582,767	2,582,767	2,582,767
Treasury shares	6	(14,478,743)	(14,478,743)	(14,478,743)
Treasury shares reserve		491,325	491,325	491,325
Other reserve		152,073	152,073	152,073
Cumulative changes in fair values		(1,072,703)	79,553	1,181
Foreign currency translation reserve		(15,274,536)	(14,445,961)	(12,296,961)
Retained earnings		52,198,607	57,485,872	55,810,632
Equity attributable to equity holders of the Parent Company		179,458,456	186,726,552	186,863,976
Non-controlling interests		40,399,984	44,408,430	44,562,687
Total equity		219,858,440	231,134,982	231,426,663
TOTAL LIABILITIES AND EQUITY		621,791,535	602,431,033	584,000,368

Tariq M. AbdulSalam
Chairman



The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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United Real Estate Company S.A.K.P. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

For the period ended 30 September 2018

		Three months ended 30 September		Nine months ended 30 September	
	Notes	2018 KD	2017 KD	2018 KD	2017 KD
REVENUE					
Gross rental income		5,084,639	5,168,466	15,385,489	15,912,318
Hospitality income		4,530,599	4,417,047	13,192,661	12,535,192
Contracting and services revenue		12,910,398	13,980,376	35,677,972	33,632,266
Other operating revenue		1,131,985	908,301	3,195,535	2,434,262
		<u>23,657,621</u>	<u>24,474,190</u>	<u>67,451,657</u>	<u>64,514,038</u>
COST OF REVENUE					
Properties operating costs		(1,216,551)	(1,153,135)	(4,383,232)	(3,059,519)
Rental expense on leasehold properties		(498,074)	(497,667)	(1,492,957)	(1,492,652)
Hospitality costs		(2,991,557)	(3,153,739)	(8,733,799)	(8,588,828)
Depreciation of hotels		(836,370)	(997,358)	(2,664,252)	(2,992,717)
Contracting and services cost		(12,600,217)	(13,182,643)	(34,667,771)	(32,133,648)
		<u>(18,142,769)</u>	<u>(18,984,542)</u>	<u>(51,942,011)</u>	<u>(48,267,364)</u>
GROSS PROFIT		<u>5,514,852</u>	<u>5,489,648</u>	<u>15,509,646</u>	<u>16,246,674</u>
Investment (loss) income		(3,098)	14,295	10,544	10,883
General and administrative expenses		(1,811,935)	(1,692,416)	(5,325,122)	(5,007,763)
Depreciation of property and equipment		(103,793)	(111,538)	(316,559)	(307,303)
Provision for maintenance of leasehold properties		(66,000)	(66,000)	(198,000)	(198,000)
Loss on disposal of investment property		-	(37,050)	(125,459)	(98,916)
OPERATING PROFIT		<u>3,530,026</u>	<u>3,596,939</u>	<u>9,555,050</u>	<u>10,645,575</u>
Gain (loss) from disposal of property and equipment		10,300	(325)	17,229	2,445
Share of results of associates		(765,333)	(1,246,275)	36,682	(1,839,998)
Gain on bargain purchase of an additional interest in an associate	5	335,416	-	335,416	-
Interest income		98,155	62,406	263,881	181,467
Other income		62,183	8,017	527,894	599,721
(Charge) reversal of provisions for impairment		(376,087)	-	(2,292,445)	246,000
Finance costs		(4,703,584)	(3,799,473)	(12,571,740)	(10,731,422)
Foreign exchange gain (loss)		314	(56,387)	8,168	(95,205)
LOSS BEFORE TAXATION		<u>(1,808,610)</u>	<u>(1,435,098)</u>	<u>(4,119,865)</u>	<u>(991,417)</u>
Taxation (expense) reversal	8	<u>(114,967)</u>	<u>(12,230)</u>	<u>(316,507)</u>	<u>371,329</u>
LOSS FOR THE PERIOD		<u>(1,923,577)</u>	<u>(1,447,328)</u>	<u>(4,436,372)</u>	<u>(620,088)</u>
Attributable to:					
Equity holders of the Parent Company		(1,597,131)	(1,155,037)	(3,293,340)	284,606
Non-controlling interests		(326,446)	(292,291)	(1,143,032)	(904,694)
		<u>(1,923,577)</u>	<u>(1,447,328)</u>	<u>(4,436,372)</u>	<u>(620,088)</u>
(LOSS) EARNINGS PER SHARE:					
Basic and diluted – attributable to equity holders of the Parent Company (fils)	9	<u>(1.49)</u>	<u>(1.08)</u>	<u>(3.07)</u>	<u>0.26</u>

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

Handwritten signature and date: 14.10.18